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SENATE BILL 874

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

JOHN ARTHUR SMITH

AN ACT

RELATING TO TAXATION; CHANGING THE PURPOSES AND EXTENDING THE
TIME PERIOD FOR WHICH THE COUNTY HOSPITAL EMERGENCY GROSS
RECEIPTS TAX MAY BE IMPOSED; AMENDING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 4-62-1 NMSA 1978 (being Laws 1992,
Chapter 95, Section 1, as amended) is amended to read:

"4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
REVENUES--LIMITATION ON TIME OF ISSUANCE. --

A. In addition to any other law authorizing a county
to issue revenue bonds, a county may issue revenue bonds
pursuant to Chapter 4, Article 62 NMSA 1978 for the purposes
specified in this section. The term "pledged revenues", as used
in Chapter 4, Article 62 NMSA 1978, means the revenues, net
income or net revenues authorized to be pledged to the payment

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1 of particular revenue bonds as specifically provided in
2 Subsections B through ~~[F]~~ J. of this section.

3 B. Gross receipts tax revenue bonds may be issued
4 for any one or more of the following purposes:

5 (1) constructing, purchasing, furnishing,
6 equipping, rehabilitating, making additions to or making
7 improvements to one or more public buildings or purchasing or
8 improving any ground relating thereto, including but not
9 necessarily limited to acquiring and improving parking lots, or
10 any combination of the foregoing;

11 (2) acquiring or improving county or public
12 parking lots, structures or facilities or any combination of the
13 foregoing;

14 (3) purchasing, acquiring or rehabilitating
15 firefighting equipment or any combination of the foregoing;

16 (4) acquiring, extending, enlarging, bettering,
17 repairing, otherwise improving or maintaining storm sewers and
18 other drainage improvements, sanitary sewers, sewage treatment
19 plants or water utilities, including but not limited to the
20 acquisition of rights of way and water and water rights, or any
21 combination of the foregoing;

22 (5) reconstructing, resurfacing, maintaining,
23 repairing or otherwise improving existing alleys, streets, roads
24 or bridges or any combination of the foregoing or laying off,
25 opening, constructing or otherwise acquiring new alleys,

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1 streets, roads or bridges or any combination of the foregoing;
2 provided that any of the foregoing improvements may include [~~but~~
3 ~~are not limited to~~] the acquisition of rights of way;

4 (6) purchasing, acquiring, constructing, making
5 additions to, enlarging, bettering, extending or equipping [~~any~~]
6 airport facilities or any combination of the foregoing,
7 including without limitation the acquisition of land, easements
8 or rights of way;

9 (7) purchasing or otherwise acquiring or
10 clearing land or purchasing, otherwise acquiring and beautifying
11 land for open space;

12 (8) acquiring, constructing, purchasing,
13 equipping, furnishing, making additions to, renovating,
14 rehabilitating, beautifying or otherwise improving public parks,
15 public recreational buildings or other public recreational
16 facilities or any combination of the foregoing; or

17 (9) acquiring, constructing, extending,
18 enlarging, bettering, repairing or otherwise improving or
19 maintaining solid waste disposal equipment, equipment for
20 operation and maintenance of sanitary landfills, sanitary
21 landfills, solid waste facilities or any combination of the
22 foregoing.

23 A county may pledge irrevocably any or all of the revenue
24 from the first one-eighth of one percent increment of the county
25 gross receipts tax for payment of principal and interest due in

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1 connection with, and other expenses related to, gross receipts
2 tax revenue bonds for any of the purposes authorized in this
3 section or specific purposes or for any area of county
4 government services. If the county gross receipts tax revenue
5 from the first one-eighth of one percent increment of the county
6 gross receipts tax is pledged for payment of principal and
7 interest as authorized by this subsection, the pledge shall
8 require the revenues received from that increment of the county
9 gross receipts tax to be deposited into a special bond fund for
10 payment of the principal, interest and expenses. At the end of
11 each fiscal year, any money remaining in the special bond fund
12 after the annual obligations for the bonds are fully met may be
13 transferred to any other fund of the county.

14 C. Fire protection revenue bonds may be issued for
15 acquiring, extending, enlarging, bettering, repairing,
16 improving, constructing, purchasing, furnishing, equipping or
17 rehabilitating any independent fire district project or
18 facilities, including, where applicable, purchasing, otherwise
19 acquiring or improving the ground for the project or any
20 combination of such purposes. A county may pledge irrevocably
21 any or all of the county fire protection excise tax revenue for
22 payment of principal and interest due in connection with, and
23 other expenses related to, fire protection revenue bonds. These
24 bonds may be referred to in Chapter 4, Article 62 NMSA 1978 as
25 "fire protection revenue bonds".

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1 D. Environmental revenue bonds may be issued for the
2 acquisition and construction of solid waste facilities, water
3 facilities, wastewater facilities, sewer systems and related
4 facilities. A county may pledge irrevocably any or all of the
5 county environmental services gross receipts tax revenue for
6 payment of principal and interest due in connection with, and
7 other expenses related to, environmental revenue bonds. These
8 bonds may be referred to in Chapter 4, Article 62 NMSA 1978 as
9 "environmental revenue bonds".

10 E. Gasoline tax revenue bonds may be issued for the
11 acquisition of rights of way for and the construction,
12 reconstruction, resurfacing, maintenance, repair or other
13 improvement of county roads and bridges. A county may pledge
14 irrevocably any or all of the county gasoline tax revenue for
15 payment of principal and interest due in connection with, and
16 other expenses related to, county gasoline tax revenue bonds.
17 These bonds may be referred to in Chapter 4, Article 62 NMSA
18 1978 as "gasoline tax revenue bonds".

19 F. Utility revenue bonds or joint utility revenue
20 bonds may be issued for acquiring, extending, enlarging,
21 bettering, repairing or otherwise improving water facilities,
22 sewer facilities, gas facilities or electric facilities or for
23 any combination of the foregoing purposes. A county may pledge
24 irrevocably any or all of the net revenues from the operation of
25 the utility or joint utility for which the particular utility or

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1 joint utility bonds are issued to the payment of principal and
2 interest due in connection with, and other expenses related to,
3 utility or joint utility revenue bonds. These bonds may be
4 referred to in Chapter 4, Article 62 NMSA 1978 as "utility
5 revenue bonds" or "joint utility revenue bonds".

6 G. Project revenue bonds may be issued for
7 acquiring, extending, enlarging, bettering, repairing,
8 improving, constructing, purchasing, furnishing, equipping or
9 rehabilitating any revenue-producing project, including, as
10 applicable, purchasing, otherwise acquiring or improving the
11 ground therefor and including but not limited to acquiring and
12 improving parking lots, or may be issued for any combination of
13 the foregoing purposes. The county may pledge irrevocably any
14 or all of the net revenues from the operation of the
15 revenue-producing project for which the particular project
16 revenue bonds are issued to the payment of the interest on and
17 principal of the project revenue bonds. The net revenues of any
18 revenue-producing project may not be pledged to the project
19 revenue bonds issued for any other revenue-producing project
20 that is clearly unrelated in nature; but nothing in this
21 subsection prevents the pledge to any of the project revenue
22 bonds of any revenues received from any existing, future or
23 disconnected facilities and equipment that are related to and
24 that may constitute a part of the particular revenue-producing
25 project. ~~[Any]~~ A general determination by the governing body

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1 that ~~[any]~~ facilities or equipment are reasonably related to and
2 ~~[shall]~~ constitute a part of a specified revenue-producing
3 project shall be conclusive if set forth in the proceedings
4 authorizing the project revenue bonds. As used in Chapter 4,
5 Article 62 NMSA 1978:

6 (1) "project revenue bonds" means the bonds
7 authorized in this subsection; and

8 (2) "project revenues" means the net revenues
9 of revenue-producing projects that may be pledged to project
10 revenue bonds pursuant to this subsection.

11 H. Fire district revenue bonds may be issued for
12 acquiring, extending, enlarging, bettering, repairing,
13 improving, constructing, purchasing, furnishing, equipping and
14 rehabilitating any fire district project, including, where
15 applicable, purchasing, otherwise acquiring or improving the
16 ground therefor, or for any combination of the foregoing
17 purposes. The county may pledge irrevocably any or all of the
18 revenues received by the fire district from the fire protection
19 fund as provided in Sections 59A-53-1 through 59A-53-17 NMSA
20 1978 and any or all of the revenues provided for the operation
21 of the fire district project for which the particular bonds are
22 issued to the payment of the interest on and principal of such
23 bonds. The revenues of ~~[any]~~ a fire district project shall not
24 be pledged to the bonds issued for ~~[any]~~ a fire district project
25 that clearly is unrelated in its purpose; but nothing in this

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1 section shall prevent the pledge to any of such bonds of any
2 such revenues received from any existing, future or of
3 disconnected facilities and equipment that are related to and
4 that may constitute a part of the particular fire district
5 project. ~~[Any]~~ A general determination by the governing body of
6 the county that ~~[any]~~ facilities or equipment are reasonably
7 related to and ~~[shall]~~ constitute a part of a specified fire
8 district project shall be conclusive if set forth in the
9 proceedings authorizing ~~[such]~~ the fire district bonds.

10 I. Law enforcement protection revenue bonds may be
11 issued for the repair and purchase of law enforcement apparatus
12 and equipment that meet nationally recognized standards. The
13 county may pledge irrevocably any or all of the revenues
14 received by the county from the law enforcement protection fund
15 distributions pursuant to Sections 29-13-1 through 29-13-9 NMSA
16 1978 to the payment of the interest on and principal of the law
17 enforcement protection revenue bonds.

18 J. Hospital emergency gross receipts tax revenue
19 bonds may be issued for acquisition, equipping, remodeling or
20 improvement of a county hospital facility. A county may pledge
21 irrevocably, to the payment of the interest on and principal of
22 the hospital emergency gross receipts tax revenue bonds, any or
23 all of the revenues received by the county from a county
24 hospital emergency gross receipts tax imposed pursuant to
25 Section 7-20E-12.1 NMSA 1978 and dedicated to payment of bonds

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1 or a loan for acquisition, equipping, remodeling or improvement
2 of a county hospital facility.

3 ~~[J.]~~ K. Except for the purpose of refunding previous
4 revenue bond issues, no county may sell revenue bonds payable
5 from pledged revenue after the expiration of two years from the
6 date of the ordinance authorizing the issuance of the bonds or,
7 for bonds to be issued and sold to the New Mexico finance
8 authority as authorized in Subsection C of Section 4-62-4 NMSA
9 1978, after the expiration of two years from the date of the
10 resolution authorizing the issuance of the bonds. However, any
11 period of time during which a particular revenue bond issue is
12 in litigation shall not be counted in determining the expiration
13 date of that issue.

14 ~~[K.]~~ L. No bonds may be issued by a county, other
15 than an H class county, a class B county as defined in Section
16 4-36-8 NMSA 1978 or a class A county as described in Section
17 4-36-10 NMSA 1978, to acquire, equip, extend, enlarge, better,
18 repair or construct any utility unless the utility is regulated
19 by the New Mexico public utility commission pursuant to the
20 Public Utility Act and the issuance of the bonds is approved by
21 the commission. For purposes of Chapter 4, Article 62 NMSA
22 1978, a "utility" includes but is not limited to any water,
23 wastewater, sewer, gas or electric utility or joint utility
24 serving the public. H class counties shall obtain New Mexico
25 public utility commission approvals required by Section 3-23-3

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1 NMSA 1978.

2 ~~[L-]~~ M. Any law that imposes or authorizes the
3 imposition of a county gross receipts tax, a county
4 environmental services gross receipts tax, a county fire
5 protection excise tax, ~~[or]~~ the gasoline tax or the county
6 hospital emergency gross receipts tax, or that affects any of
7 those taxes, shall not be repealed or amended in such a manner
8 as to impair any outstanding revenue bonds that are issued
9 pursuant to Chapter 4, Article 62 NMSA 1978 and that may be
10 secured by a pledge of those taxes unless the outstanding
11 revenue bonds have been discharged in full or provision has been
12 fully made therefor.

13 ~~[M-]~~ N. As used in this section:

14 (1) "county environmental services gross
15 receipts tax revenue" means the revenue from the county
16 environmental services gross receipts tax transferred to the
17 county pursuant to Section 7-1-6.13 NMSA 1978;

18 (2) "county fire protection excise tax revenue"
19 means the revenue from the county fire protection excise tax
20 transferred to the county pursuant to Section 7-1-6.13 NMSA
21 1978;

22 (3) "county gross receipts tax revenue" means
23 the revenue attributable to the first one-eighth of one percent
24 increment of the county gross receipts tax transferred to the
25 county pursuant to Section 7-1-6.13 NMSA 1978 and any

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1 distribution related to the first one-eighth of one percent made
2 pursuant to Section 7-1-6.16 NMSA 1978;

3 (4) "gasoline tax revenue" means the revenue
4 from that portion of the gasoline tax distributed to the county
5 pursuant to Sections 7-1-6.9 and 7-1-6.26 NMSA 1978; and

6 (5) "public building" includes but is not
7 limited to fire stations, police buildings, jails, libraries,
8 museums, auditoriums, convention halls, hospitals, buildings for
9 administrative offices, courthouses and garages for housing,
10 repairing and maintaining county vehicles and equipment.

11 [N.] 0. As used in Chapter 4, Article 62 NMSA 1978,
12 the term "bond" means any obligation of a county issued under
13 Chapter 4, Article 62 NMSA 1978, whether designated as a bond,
14 note, loan, warrant, debenture, lease-purchase agreement or
15 other instrument evidencing an obligation of a county to make
16 payments. "

17 Section 2. Section 7-20E-12.1 NMSA 1978 (being Laws 1994,
18 Chapter 14, Section 1, as amended) is amended to read:

19 "7-20E-12.1. COUNTY HOSPITAL EMERGENCY GROSS RECEIPTS
20 TAX--AUTHORITY TO IMPOSE--USE OF PROCEEDS.--

21 A. [The] A majority of the members of [the] a
22 governing body may enact an ordinance imposing an excise tax on
23 any person engaging in business in the county for the privilege
24 of engaging in business. The rate of the tax shall be
25 one-fourth of one percent of the gross receipts of the person

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1 engaging in business. The tax shall be imposed for a period of
2 not more than two years from the effective date of the ordinance
3 imposing the tax. The tax may be imposed for an additional
4 period not to exceed three years from the date of the ordinance
5 imposing the tax for that period. On or after July 1, 1997, the
6 tax may be imposed for an additional period necessary for
7 payment of bonds or a loan for acquisition, equipping,
8 remodeling or improvement of a county hospital facility, but the
9 period shall not exceed twenty years from the effective date of
10 the ordinance imposing the tax for that period.

11 B. The tax imposed by this section may be referred
12 to as the "county hospital emergency gross receipts tax".

13 C. At the time of enacting the ordinance imposing
14 the tax authorized in this section:

15 (1) if the effective date of the tax is prior
16 to July 1, 1997, the governing body shall dedicate the revenue
17 for current operations and maintenance of a hospital owned by
18 the county or a hospital with whom the county has entered into a
19 health care facilities contract; provided that a majority of the
20 members of a governing body may enact an ordinance to change the
21 purposes for which the revenue from a previously imposed tax is
22 dedicated and to dedicate that revenue during the remainder of
23 the tax imposition period to payment of bonds or a loan for
24 acquisition, equipping, remodeling or improvement of a county
25 hospital facility; and

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